



**News Flash** – Suppliers submitting a bid for a product category in a competitive bidding area (CBA) must meet all state licensure requirements for DMEPOS and other applicable state licensure requirements, if any, for that product category for every state in that CBA. Prior to submitting a bid for a CBA and product category, the supplier must have a copy of the applicable state licenses on file with the NSC. Suppliers must be accredited for a product category to submit a bid for that product category. Suppliers subject to the surety bond requirement must be bonded in order to bid. For more information on the Medicare DMEPOS Competitive Bidding Program please visit <http://www.cms.hhs.gov/CompetitiveAcqforDMEPOS/> on the CMS website.

MLN Matters Number: MM6421

Related Change Request (CR) #: 6421

Related CR Release Date: April 24, 2009

Effective Date: January 4, 2010

Related CR Transmittal #: R4800TN

Implementation Date: Phase 1 – October 5, 2009  
Phase 2 – January 4, 2010

## **Expansion of the Current Scope of Editing for Ordering/Referring Providers for Durable Medical Equipment, Prosthetics, Orthotics, and Supplier (DMEPOS) Suppliers Claims Processed by Durable Medical Equipment Medicare Administrative Contractors (DME MACs).**

### **Provider Types Affected**

Suppliers of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) submitting claims to Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for services provided to Medicare beneficiaries.

### **Provider Action Needed**

This article is based on change request (CR) 6421, which requires Medicare implementation of system edits to assure that DMEPOS suppliers bill for services **only** when ordered/referred by physician and non-physician practitioners who can order/refer such services. Physician and non-physician practitioners who order/refer services for Medicare beneficiaries must be enrolled in the Centers for Medicare & Medicaid Services' (CMS) Provider Enrollment, Chain and Ownership

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System (PECOS) and of a specialty that is eligible to order or refer. Be sure billing staff are aware of these changes that will impact claims received and processed on or after October 5, 2009.

## Background

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CMS is expanding claim editing to meet the Social Security Act requirements for ordering and referring providers. Section 1833(q) of the Social Security Act requires that all ordering and referring physicians and non-physician practitioners meet the definitions at section 1861(r) and 1842(b)(18)(C) and be uniquely identified in all claims for services that are the results of an order or a referral. Effective January 1, 1992, a physician or supplier who bills Medicare for a service or item must show the name and unique identifier of the ordering/referring provider on the claim if that service or item was the result of an order or referral.

The providers who can order/refer are:

- Doctor of Medicine or Osteopathy;
- Dental Medicine;
- Dental Surgery;
- Podiatric Medicine;
- Optometry;
- Chiropractic Medicine;
- Physician Assistant;
- Certified Clinical Nurse Specialist;
- Nurse Practitioner;
- Clinical Psychologist;
- Certified Nurse Midwife; and
- Clinical Social Worker.

**Claims that are the result of an order or a referral must contain the National Provider Identifier (NPI) and name of the ordering/referring provider and the ordering/referring provider must be in PECOS with one of the above specialties.**

## Key Points

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- **During Phase 1 (October 5, 2009-January 3, 2010):** If the ordering/referring provider is on the claim, Medicare will verify that the ordering/referring provider is

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in PECOS and is eligible to order/refer in Medicare. **If the ordering/referring provider is not in PECOS and eligible to order or refer, the claim will continue to process and Medicare will include an informational message on the remittance advice.**

- **During Phase 2, (January 4, 2010 and thereafter):** If the ordering/referring provider is not on the claim, the claim will not be paid. If the ordering/referring provider is on the claim, Medicare will verify that the ordering/referring provider is in PECOS and eligible to order and refer. **If the ordering/referring provider is not in PECOS and not eligible to order and refer, the claim will not be paid.**
- In **both phases**, Medicare will verify the NPI and the name of the ordering/referring provider reported on the claim against PECOS.
- When furnishing names on the paper claims, be sure not to use periods or commas within the name. Hyphenated names are permissible.
- Providers who order or refer may want to verify their enrollment in PECOS. They may access the CMS PECOS site at [http://www.cms.hhs.gov/MedicareProviderSupEnroll/04\\_InternetbasedPECOS.asp](http://www.cms.hhs.gov/MedicareProviderSupEnroll/04_InternetbasedPECOS.asp) on the CMS website.

## Additional Information

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If you have questions, please contact your Medicare DME MAC at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

The official instruction, CR6421, issued to your Medicare DME MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R480OTN.pdf> on the CMS website.

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